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FM AMEMBASSY LIMA  
TO RUEHC/SECSTATE WASHDC PRIORITY 8275  
INFO RUEHBO/AMEMBASSY BOGOTA PRIORITY 2868  
RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 2197  
RUEHCV/AMEMBASSY CARACAS PRIORITY 8963  
RUEHLP/AMEMBASSY LA PAZ JAN 2936  
RUEHQT/AMEMBASSY QUITO PRIORITY 9940  
RUEHSG/AMEMBASSY SANTIAGO PRIORITY 0093  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RUEANHA/FAA WASHINGTON DC PRIORITY  
RUEAYVF/FAA MIAMI FL PRIORITY

C O N F I D E N T I A L LIMA 000262

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DEPT FOR WHA/AND, WHA/CEN, EB/TRA/AN, CA/OCS/ACS  
TREASURY FOR OFAC  
FAA MIAMI FOR JAY RODRIGUEZ  
FAA WASHINGTON FOR LEANN HART

E.O. 12958: DECL: 01/23/2016  
TAGS: [EAIR](#) [ECON](#) [CASC](#) [PGOV](#) [PE](#)  
SUBJECT: FAA RECOMMENDS CATEGORY 1 WITH CONDITIONS

REF: A. LIMA 87

[1](#)B. 04 LIMA 5082  
[1](#)C. 05 LIMA 4538

Classified By: AMBASSADOR J. CURTIS STRUBLE FOR REASONS 1.4 (B) AND (D)  
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[1](#)1. (C) Summary. After conducting its International Aviation Safety Assessment on January 17-20, the FAA concluded that the Directorate General of Civil Aviation (DGAC) is ICAO compliant and should remain in Category I, but with conditions. The FAA found that the DGAC needed to improve its actions with regard to the resolution of safety issues, but noted that the major problems posed by AeroContinente/NuevoContinente and TANS no longer existed - because neither airline is flying. The FAA will return to Peru within the next six months to review DGAC actions on safety issues and to assess DGAC procedures for TANS Airlines. The grounding of TANS Airlines on January 6 has become highly politicized, and the Director General of the DGAC was relieved from his post on January 20. Although we are unsure whether the new Director will allow TANS to fly, Post and the FAA have established a game plan to deal with the scenario. End Summary.

FAA Concludes IASA...For Now  
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[1](#)2. (U) The FAA team conducted its International Aviation Safety Assessment (IASA) in Peru, January 17-20 (Reftel C). The team, using International Civil Aviation Organization (ICAO) standards, assessed the Directorate General of Civil Aviation (DGAC) in six areas to ensure that all foreign carriers that operate to and from the United States are properly licensed and to determine whether the DGAC is competent to handle safety oversight.

[1](#)3. (C) According to the FAA team leader, the team found that the DGAC sufficiently met ICAO standards in five out of six areas - structure of the DGAC, training of technical personnel, technical guidance, licensing and certification of personnel, and certification of operators. The FAA had reservations about the DGAC's ability to meet ICAO standards for the resolution of safety issues, particularly with regard

to enforcement actions against Air Operators, lack of follow up to ensure that companies are doing what they claimed, and lack of enforcement history for problem airlines AeroContinente/NuevoContinente and TANS. (Note: The DGAC and the FAA in April 2004 found that AeroContinente was using illegal unregulated spare parts, constituting a severe safety concern. The FAA prohibited AeroContinente from flying to the United States. The DGAC took no action against AeroContinente, allowing it to fly domestic routes without addressing the spare parts issue. Additionally, the DGAC did not recertify other airlines in Peru to ensure that they were using proper spare parts. End Note.) The FAA, in the end, concluded that the DGAC was ICAO compliant because previous problems with both of these airlines no longer exist, as AeroContinente/NuevoContinente is no longer operating and TANS is grounded indefinitely (Refs A and B).

14. (C) The FAA team informed the DGAC that it would recommend Peru remain in Category I, but with conditions. The FAA will return to Peru within the next six months to review the DGAC's progress in improving resolution of safety issues, assess the status of TANS operations, evaluate the licensing process of new airline Wayra Peru and examine the use of spare parts by other operators.

15. (C) The FAA team also hinted to the DGAC (although told the Embassy pointedly) that if the DGAC allows TANS to resume flights without a significant overhaul of operations, the FAA team would reconsider its recommendation, placing Peru in Category II. Additionally, such action would trigger an immediate FAA review of the DGAC process for TANS, given that the DGAC had no/no documentation of enforcement on TANS until it grounded the company two weeks ago (Ref A).  
If TANS Resumes Flights...  
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16. (C) Although the FAA delivered a strong message to the DGAC about the future of TANS and the safety process, the issue of TANS flights has become highly politicized. On January 20, Roberto Rodriguez, acting Director General of Civil Aviation, called Econoff to say that he was being replaced as DGAC, starting on January 21 (to be reported septel). Rodriguez noted that the decision was political, as the Ministry of Defense (which owns TANS) requested that President Toledo fire Rodriguez as retribution for grounding TANS. Rodriguez was unclear whether the new DGAC would authorize the resumption of TANS flights, but noted that the DGAC and the Ministry of Transport are under increasing pressure from the Ministry of Defense and the Administration to reverse its decision.

17. (C) Rodriguez also noted that the Air Force is suing the DGAC over its January 6 actions. The Air Force is alleging that the DGAC acting unjustly, did not inform TANS of its concerns, and instead grounded the airline without allowing TANS to fix the problems. While Rodriguez stands behind his decision, he admitted that DGAC did not keep sufficient documentation on TANS' problems. He is confident that the TANS suspension will hold, but is worried that the Ministry of Transport will overturn his decision, claiming lack of proper documentation and enforcement actions prior to the grounding.

18. (C) After discussing the possibility of resumed TANS flights, the Embassy and FAA came to the following decisions:

--The resumption of TANS flights in the next week would cause the FAA to immediately change its recommendation to keep Peru in Category I (Note: the FAA will hold its recommendation until January 30.);

--The FAA, per the Embassy's request, would send a team to Peru to review the DGAC's actions with regard to TANS, to ensure that the DGAC meets ICAO standards;

--Depending upon the FAA's review, the Embassy would review the policy on official travel on TANS Airlines;

--The Embassy would then amend its Consular Information Sheet to inform American citizens of the any changes in Embassy policy on TANS;

--The Embassy would also request that the DGAC submit extensive documentation detailing why the DGAC reversed its decision on TANS. Post would discuss the DGAC's steps with the FAA to ensure that the DGAC took the proper steps to ensure the safety of any passengers.

Comment

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19. (C) While we are doubtful that the new DGAC Director will allow TANS to resume flights in the short term, we continue to hear that the Ministry of Defense and the President's office are placing increased pressure on the DGAC to reverse its decision. According to the Director of Aviation Safety, TANS would need to completely overhaul its operations, including hiring non-military pilots, before the DGAC would lift the suspension on its air-operating certificate. The Safety Director was skeptical that TANS would undergo these changes, as TANS flights enable active military pilots to log their flight hours. The former Director of the DGAC did tell us that the Minister of Transport might recommend that TANS be allowed to fly per its original intent - to fly civic (non-commercial) flights in the jungle.

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